TITLE 410 INDIANA DEPARTMENT OF HEALTH

Economic Impact Statement

LSA Document #22-42

<u>IC 4-22-2.1-5</u> Statement Concerning Rules Affecting Small Businesses Description of the Rule

SEA 361 (P.L. 55-2021) requires the Indiana Department of Health (IDOH) to adopt rules by January 1, 2022, setting out training and sanitation requirements for eyelash extension services. The purpose of the rule is to protect the public from the hazards of unsanitary or unskilled eyelash extension services including, but not limited to, trauma to or infection of the eyelid or cornea, allergic reaction to the glue, and permanent or temporary loss of eyelashes.

Economic Impact on Small Businesses

- 1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.
 - <u>IC 5-28-2-6</u> defines a small business as a business entity that satisfies the following requirements:
 - (1) On at least fifty percent (50%) of the working days of the business entity occurring during the preceding calendar year, the business entity employed not more than one hundred fifty (150) employees.
 - (2) The majority of the employees of the business entity work in Indiana.

Prior to July 1, 2021, all individuals performing eyelash extension services were either licensed estheticians or potentially licensed cosmetologists. After July 1, 2021, any unlicensed individual wishing to perform eyelash extension services can obtain a certification of completion of an eyelash extension training program, which is less time-consuming and not as financially burdensome. The number of individuals that obtained a certificate since July 1, 2021, is unknown. The number of small businesses created since July 1, 2021, is unknown.

2. Estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.

This rule requires programs that want to remain recognized as a certified eyelash extension training program by IDOH to renew said recognition every four (4) years. The remainder of the rule does not require reporting from businesses or individuals applying eyelash extensions. Costs for record keeping will be negligible as the requirements are limited to the display of obtained certifications.

3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule.

In order to comply with the sanitation and safety requirements, small businesses will be required to perform routine sterilization, sanitization, and disinfection. Supplies necessary to comply include, but are not limited to, cleaning solutions, disinfectants, and dry heat sterilizers. The starting price for a dry heat sterilizer oven for tweezers is approximately \$500. Additionally, small businesses will be required to utilize single use items such as adhesives, individual eyelashes, and other equipment. Prices for these products vary.

4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law.

Any additional requirement or cost that may affect small businesses is justified because this rule adoption will help protect Indiana's public from hazards of unsanitary or unskilled eyelash extension services.

5. Regulatory Flexibility Analysis

Other factors considered:

A. Establishment of less stringent compliance or reporting requirements for small businesses.

The purpose of the rule is to protect the public from the hazards of unsanitary or unskilled eyelash extension services including, but not limited to, trauma to or infection of the eyelid or cornea, allergic reaction to the glue, and permanent or temporary loss of eyelashes. Less stringent requirements for small businesses would not protect the public.

B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

The requirements of the rule do not subject individuals to adhere to schedules or deadlines for compliance or reporting. Programs that want to remain a recognized eyelash extension training program by IDOH must renew recognition every four (4) years. Four (4) years is the standard for the majority of IPLA licenses.

C. Consolidation or simplification of compliance or reporting requirements for small businesses. The compliance requirements for unlicensed individuals are as simplified as they can be to protect the

health of the public. Prior to July 1, 2021, eyelash extension specialists were required to have an esthetician license. Esthetician licenses require 700 hours of training in an esthetics school. Cost for these programs start at \$9,966. This rule requires only 45 hours of training, comprised of theory and practical application, to obtain a certification.

- D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.
 - Performance standards will not meet requirements set by SEA 361 (P.L. 55-2021) which require IDOH to adopt regulation for unlicensed individuals performing eyelash extension services.
- **E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.**The requirements of this rule are needed for small businesses that are owned by or employ unlicensed eyelash extension specialists in order to protect the health and safety of patrons.

Conclusion

The general assembly requires IDOH to adopt regulation for unlicensed eyelash extension specialists. Overall, costs are decreased to small businesses or eyelash extension specialists due to the decrease in hours (from 700 to 45) required when obtaining a certification.

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